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Comptroller

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www.mass.gov/dor

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or call 1-800-392-6089 or (617) 887-
MDOR to find out more.

2002 W-2 Form Instructions

Tax Reporting for Commonwealth Employees

2002 W-2



Please contact your department's payroll office if:

1. You have a *Question* about your W-2.
2. You need a *Reprint* of your Form W-2.
3. You need a *W-2C*

(Statement of Corrected Income and Tax Amounts). A W-2C is needed if your name, social security number or any of the information reported on your Form W-2 is incorrect.

Why E-File?

✱ **Less stress.** E-File prevents common mistakes and you get proof of filing.

✱ **Fast refunds and attractive payment options.** Refunds in 3–4 days. Direct deposit. If you owe, file now, mail a check later. Credit and check cards accepted with Telefile.

✱ **Easy and convenient.** Have all calculations performed for you. Just press a button to file. Web and Telefile options are free and available 24/7.

This brochure provides a detailed explanation of the requirements of the Form W-2 for tax year 2002. This represents cash payments you have received during calendar year 2002. Due to the actual timing of cash receipts this amount may vary from what you stated on your Form W-2. It will also include non-cash benefits (parking, housing, tangible assets, use of state vehicle, imputed income). You will be issued only one Form W-2 for tax year 2002, pay period ending December 14, 2002, which represents 52 pay weeks.

Pretax Deductions:

The following deductions are excluded from your gross earnings in Box 1 for the purpose of **federal tax withholding**: Contributions to Regular Retirement; Dependent Care Assistance Plan; Deferred Compensation §457(b) including both Voluntary and Mandatory (OBRA 90) contributions; Tax Sheltered Annuities §403(b); Health Insurance Premiums and Transit Passes.

The following deductions are excluded from your gross earnings in Box 16 for the purpose of **state tax withholding**: Dependent Care Assistance Plan; Deferred Compensation §457(b) including both Voluntary and Mandatory (OBRA 90) contributions; Tax Sheltered Annuities §403(b), and Health Insurance Premiums.



Massachusetts
Department of
Revenue

1 Wages, tips, other comp. 21,300.44	2 Federal income tax withheld 2,287.78	10 Dependent care benefits	12 See instructions for box 12
3 Social security wages	4 Social security tax withheld	11 Nonqualified plans	13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>
5 Medicare wages and tips	6 Medicare tax withheld	14 Other a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> e <input type="checkbox"/>	15 State MA Employer's state I.D.
a Control number OMB No.1545-0008	b Employer's ID number 04-6002284	16 State wages, tips, etc. 23,116.77	
c Employer's name, address, and ZIP code COMMONWEALTH OF MASSACHUSETTS		17 State income tax 939.33	
d Employee's social security number 000-00-0000		18 Local wages, tips, etc.	
e Employee's name, address, and ZIP code JOHN TAXPAYER ANYTOWN, MA 00000		19 Local income tax	
19 Local income tax		20 Locality name	
Copy 2 W-2		State Filing Copy Wage and Tax Statement 2002	

E-File Your Return
Refund in 3 - 4 Days
see below for details

Important Reminder for State and Public Employees

On your W-2, there is a special amount shown for state wages, tips, etc. Generally, the amount shown for state wages is higher than the amount shown for federal wages because your pension contributions are excluded from your income for federal tax purposes.

When filing your Massachusetts income tax return, you must use the amount shown for state wages. If you enter the lower dollar amount, your return will be corrected and any refund you may be expecting will be delayed.

This sample W-2 shows where you will find the state wage number.

Use this number on your Massachusetts income tax return.

And Remember to E-File!

E-File is filing your Massachusetts return electronically through 1 of 3 methods offered by the Department of Revenue (DOR):

- ✱ **Telefile.** E-File by touch-tone telephone.
- ✱ **Paid preparer.** Thousands of preparers E-File federal and state returns.
- ✱ **Commercial tax preparation software and websites.**

Box 1

The **federal taxable income**, equal to employee's Total Gross Pay from pay stub for period ending December 14, 2002

Plus

- Cash and non-cash benefits listed in Boxes 12c, 14p, 14s, 14t, 14u

Minus

- Dependent Care Assistance Plan contributions (Box 10)
- Tax Sheltered Annuity contributions (Box 12e)
- OBRA 90 Alternative Retirement Plan contributions and elective Deferred Compensation (Box 12g)
- Pretax Transit Pass (Box 14b)
- Pretax Retirement contributions (Box 14c)
- Pretax Health insurance premiums (Box 14e)

Shaded areas are either **“Not Applicable”** or **“Eliminated.”**

Box 2: Total amount of federal tax withheld from employee during the tax year.

Box 6: Amount of Medicare tax withheld from the Medicare wages of qualifying employees.

Box b: The Employer Identification Number (EIN) assigned by the IRS to the Commonwealth of Massachusetts.

Box 12

- 12c - The cost of Group Term Life Insurance over \$50,000 – Imputed Income (included in Boxes 1,5 and 16)
- 12e - Contributions made to a Tax Sheltered Annuity (TSA). The Tax Sheltered Annuity Plan (elective) is a deferral governed by Section 403 (b).
- 12g - Elective and non-elective (OBRA 90 Alternative Retirement) contributions to the Deferred Compensation 457 (b) Plan managed by Aetna Financial Services.

Box c: The Commonwealth of Massachusetts is the employer.

Box 10: Total payments made to the Dependent Care Assistance Plan (DCAP).

Box 14

- 14a - Post-Tax Retirement contribution. This retirement contribution is subject to federal taxation before being credited to the employee's retirement account and has been taxed accordingly. The post-tax method is applicable for voluntary buy back (make-up) retirement contributions.
- 14b - The amount of pretax transit benefit.
- 14c - The amount of retirement deducted from the employee's earnings on a pretax basis. This retirement contribution will be subject to federal taxation at a later date and therefore is not subject to taxation before being credited to the employee's retirement account. This code will include all contributions to the State Retirement Plan, the Higher Education Optional Retirement Plan and the County Retirement Plan.
- 14e - Total amount of health insurance premiums paid on a pretax basis. These premiums are not subject to tax now or in the future.
- 14p - Total amount of the federal Non-cash Parking benefit, added to Boxes 1 and 5
- 14r - Total amount of the state Non-cash Parking benefit, added to Box 16
- 14s - Total amount of the Non-cash benefit for Use of State Vehicle, added to Boxes 1, 5 and 16
- 14t - Total amount of the Housing Allowance benefit, added to Boxes 1, 5 and 16
- 14u - Total amount of the Non-cash Tangible Asset benefit, added to Boxes 1, 5 and 16

Box 5

Wages subject to Medicare tax, equal to employee's Total Gross Pay from pay stub for period ending December 14, 2002

Plus

- Cash and non-cash benefits listed in Boxes 12c, 14p, 14s, 14t, 14u

Minus

- Dependent Care Assistance Plan contributions (Box 10)
- Pretax Transit Pass (Box 14b)
- Pretax Health Insurance premiums (Box 14e)

Box d: Employee's SSN as it appears in the HR/CMS payroll system.

Box 13: Retirement Plan: An "X" indicates a state employee was a contributing member to the Commonwealth of Massachusetts Retirement System and/or contributed to a Tax Sheltered Annuity Plan (403(b)).

1 Wages, tips, other comp.	2 Federal income tax withheld	
21,300.44	2,287.78	
3 Social security wages	4 Social security tax withheld	
5 Medicare wages and tips	6 Medicare tax withheld	
a Control number	OMB No.1545- 0008	
b Employer's ID number	04- 6002284	
c Employer's name, address, and ZIP code COMMONWEALTH OF MASSACHUSETTS		
d Employee's social security number 000 - 00 - 0000		
e Employee's name, address, and ZIP code JOHN TAXPAYER ANYTOWN, MA 00000		
9 Advance EIC payment	10 Dependent care benefits	
11 Nonqualified plans	12 See instructions for box 12	
13 Statutory Employee Retirement Third-party sick pay	14 Other	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	a b c e p r s t u	
15 State MA	Employer's state I.D.	16 State wages, tips, etc.
939.33		23,116.77
17 State income tax	18 Local wages, tips, etc.	
19 Local income tax	20 Locality name	
Copy 2	State Filing Copy Wage and Tax Statement	2002

Box e: Employee's name, address and zip code as it appears in the HR/CMS payroll system.

Box 9: Total allowable Advance Earned Income Credit paid to eligible employees during tax year 2002.

Box 17: Total amount of state tax withheld from the employee during the tax year.

Box 16

The **state taxable income**, equal to employee's Total Gross Pay from pay stub for period ending December 14, 2002

Plus

- Cash and non-cash benefits listed in Boxes 12c,14r,14s,14t,14u

Minus

- Dependent Care Assistance Plan contributions (Box 10)
- Tax Sheltered Annuity contributions (Box 12e)
- OBRA 90 Alternative Retirement Plan contributions and elective Deferred Compensation (Box 12g)
- Pretax Health Insurance premiums (Box 14e)

Generally, the amount shown for State Wages is higher than the amount shown for Federal Wages because the pretax retirement contribution is excluded from the taxable income for federal tax purposes. When filing the Massachusetts Income Tax Return, employees must use the amount in Box 16 for state wages.